

# Committee Terms of Reference



<b>Type:</b>	<b>Board Committee</b>
<b>Title:</b>	<b>Audit/Finance and Risk Committee</b>
<b>Objective:</b>	<b>To assist the Board in discharging it's responsibilities with respect to overseeing all aspects of financial reporting, control, audit and organisational risk functions</b>
<b>Responsible to:</b>	<b>Chairman of the Board</b>

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## Structure:

1. The members of this committee shall be appointed by the board from among its members and shall consist of up to three members, including a chairman (who cannot be the SNZ Chairman).
2. The CEO and any other professional staff shall not be eligible to be a member.
3. A quorum shall be two members, one of whom shall be the committee's chairman.

## Term:

1. Committee members (once appointed by the board) may be changed at the board's discretion. All changes to committee members must be recorded in the board minutes.

## Profile:

1. The majority of committee members shall have strong financial skills including the ability to read and analyse financial statements; a good understanding of business and financial risks and related controls and control processes and sound knowledge of the business/area in which the organisation operates.

## Operating Principles:

1. The committee chairman shall call a meeting of the committee if so requested by any committee member, the board, or the external auditors.
2. The committee may have in attendance such members of management and such other persons as it deems necessary to provide appropriate information and explanations.
3. The committee may obtain external resources as required to assist with its work, subject to prior board approval.
4. The committee will give notice to management of its programme and requirements for access to key financial personnel and all financial records.
5. The committee will develop an annual audit plan that shall be reviewed and authorised by the board.
6. The committee shall report to the board at least quarterly or as specified or requested by the board.
7. The committee meetings shall be minuted.
8. The committee shall submit an annual report to the board.

## Duties and Responsibilities:

January 2005

Audit/Finance and Risk Committee

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Authorisation \_\_\_\_\_ Chairman

Review by date: 31.1.06

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1. Review the accuracy of the CEO's financial reporting to the board.
2. Review of the annual audit plan with the external auditors.
3. Review of the audit findings and the annual financial statements.
4. Oversight of the compliance with statutory responsibilities relating to financial and other disclosure.
5. Review of internal financial systems and accountabilities.
6. Ensuring that recommendations highlighted in the external audit are actioned by management.
7. Monitoring of corporate risk assessment, particularly financial risk, and the internal controls instituted in response to such risks.
8. To operate according to the Standards New Zealand/SPARC document produced November 2004
9. Supervision of special investigations when requested by the board.
10. Review the terms of reference for this committee and provide any recommendations back to the board.

## **Authority:**

1. This committee is authorised by the board to investigate any activity covered by its duties and responsibilities.
2. This committee is authorised to seek any information (through the committee chair) it requires from the CEO.
3. This committee shall have no executive powers with regard to its findings and recommendations but will provide recommendations to the board for approval.